

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-03512A  
Pine Water Co., Inc.  
P.O. Box 82218  
Bakersfield, CA 93380

**RECEIVED**

APR 17 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered  
4-17-06  
RF

## COMPANY INFORMATION

**Company Name (Business Name):** Pine Water Co., Inc.

**Mailing Address:** P.O. Box 82218  
(Street)

Bakersfield CA 93380  
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** customerservice@gswater.com or mistiej@brookeutilities.com

**Local Office Mailing Address:** 1010 S. Stover Road

Payson Arizona 85541  
(City) (State) (Zip)

928-474-8130 928-474-1695  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

## MANAGEMENT INFORMATION

**Management Contact:** Robert T. Hardcastle President  
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380  
(Street) (City) (State) (Zip)

661-633-7526 781-823-3070  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** rth@brookeutilities.com

**On Site Manager:** Shaun Stouder  
(Name)

1010 S. Stover Road Payson AZ 85541  
(Street) (City) (State) (Zip)

928-474-8130 928-474-1695  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** shauns@brookeutilities.com

☒ Please mark this box if the above address(es) have changes or are updated since the last filing.

**Statutory Agent:** Robert T. Hardcastle  
(Name)

P.O. Box 82218  
(Street)

Bakersfield  
(City)

CA  
(State)

93380  
(Zip)

661-633-7526

781-823-3070

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Jay Shapiro with Fennemore Craig  
(Name)

3003 N. Central Ave. Ste. 2600  
(Street)

Phoenix  
(City)

AZ  
(State)

85012  
(Zip)

602-916-5000

602-916-5566

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

### **COUNTIES SERVED**

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

**COMPANY NAME: PINE WATER COMPANY, INC**

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	16,930	2,218	14,712
304	Structures and Improvements	160,885	112,469	48,416
307	Wells and Springs	153,368	54,213	99,155
311	Pumping Equipment	142,391	81,650	60,741
320	Water Treatment Equipment	5,320	1,505	3,815
330	Distribution Reservoirs and Standpipes	247,073	192,166	54,907
331	Transmission and Distribution Mains	1,005,926	770,141	235,785
333	Services	70,981	55,597	15,384
334	Meters and Meter Installations	283,399	111,030	172,369
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,379	32	
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,875	69	2,806
	<b>TOTALS</b>	<b>2,090,527</b>	<b>1,381,090</b>	<b>708,090</b>

This amount goes on the Balance Sheet Acct. No.108

**COMPANY NAME: PINE WATER COMPANY, INC**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	16,930	2.62%	444
304	Structures and Improvements	160,885	2.60%	4,189
307	Wells and Springs	153,368	2.41%	3,695
311	Pumping Equipment	142,391	2.49%	3,542
320	Water Treatment Equipment	5,320	2.61%	139
330	Distribution Reservoirs and Standpipes	247,073	2.62%	6,473
331	Transmission and Distribution Mains	1,005,926	2.51%	25,255
333	Services	70,981	2.58%	1,830
334	Meters and Meter Installations	283,399	2.52%	7,140
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,379		25
347	Miscellaneous Equipment			
348	Other Tangible Plant	2,875	0.44%	13
	<b>TOTALS</b>	<b>2,090,527</b>	<b>2.52%</b>	<b>52,744</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No.403.

**COMPANY NAME: PINE WATER COMPANY, INC**

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	9,625	15,109
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments	9,182	25,671
174	Miscellaneous Current and Accrued Assets	3,725	3,725
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 22,532</b>	<b>\$ 44,504</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 2,031,057	\$ 2,090,526
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(1,328,346)	(1,381,090)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 702,711</b>	<b>\$ 709,436</b>
	<b>DEFERRED INCOME TAX DEBITS</b>	<b>\$ 369,000</b>	<b>\$ 369,000</b>
	<b>TOTAL ASSETS</b>	<b>\$ 1,094,243</b>	<b>\$ 1,122,940</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**COMPANY NAME: PINE WATER COMPANY, INC**

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 10,393	\$ 8,443
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	837,071	736,060
235	Customer Deposits	27,558	34,453
236	Accrued Taxes	21,216	15,011
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		155
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 896,238</b>	<b>\$ 794,122</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-term Notes and Bonds	\$ 9,204	\$ -
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 74,276	\$ 76,286
252	Advances in Aid of Construction	12,093	12,057
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	958,323	958,323
272	Less: Amortization of Contributions	(543,339)	(567,543)
281	Accumulated Deferred Income Taxes		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 501,353</b>	<b>\$ 479,124</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 1,406,795</b>	<b>\$ 1,273,246</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 321,823	\$ 321,823
211	Paid In Capital in Excess of Par Value	584,935	584,935
215	Retained Earnings	(1,219,310)	(1,057,064)
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ (312,552)</b>	<b>\$ (150,306)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 1,094,243</b>	<b>\$ 1,122,940</b>

**COMPANY NAME: PINE WATER COMPANY, INC**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 696,432	\$ 766,364
460	Unmetered Water Revenue		
474	Other Water Revenues	55,384	11,771
	<b>TOTAL REVENUES</b>	<b>\$ 751,816</b>	<b>\$ 778,135</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 123,346	\$ 108,363
610	Purchased Water	172,686	83,106
615	Purchased Power	31,047	39,949
618	Chemicals	3,455	777
620	Repairs & Maintenance	25,904	35,732
621	Office Supplies and Expense		6,309
630	Outside Services	189,721	89,105
635	Water Testing	7,359	7,003
641	Rents	5,191	295
650	Transportation Expenses	-	-
657	Insurance - General Liability	1,250	-
659	Insurance - Health and Life	13,216	14,813
666	Regulatory Commission Expense - Rate Case	33,221	102
675	Miscellaneous Expense	58,352	116,101
403	Depreciation Expense	50,982	28,541
408	Taxes Other Than Income	43,787	48,303
408.11	Property Taxes	35,724	35,724
409	Income Tax		-
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 795,241</b>	<b>\$ 614,222</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (43,425)</b>	<b>\$ 163,913</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(3,739)	(1,667)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (3,739)</b>	<b>\$ (1,667)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (47,164)</b>	<b>\$ 162,246</b>



**COMPANY NAME: PINE WATER COMPANY, INC**

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN # 1	LOAN # 2	LOAN # 3	LOAN # 4
Date Issued	5/1/2000			
Source of Loan	Brooke Utilities			
ACC Decision No.	see below (1)			
Reason for loan	see below (2)			
Dollar Amount Issued	\$ 104,000			
Amount Outstanding	\$ 9,204			
Date of Maturity	4/30/2005			
Interest Rate	10%			
Current Year Interest	\$ 2,284			
Current Year Principal	\$ 24,232			

Meter Deposit Balance at Test Year End \$ 76,286

Meter Deposits Refunded During the Test Year \$ 12,030

(1) From E&R Water	ACC Decision # 62400	\$82,000
From Williamsons Water	ACC Decision # 62363	<u>\$22,000</u>
		\$104,000

(2) The purpose of the loan was to finance capital expenditure project to improve water system infrastructures.

**COMPANY NAME: Pine Water Co., Inc.**

## **WATER COMPANY PLANT DESCRIPTION**

Some data as of 12/31/05

### **Wells**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>	<b>Arsenic Levels (Mg/L)</b>
55-510039	No pump	0	200	6	2	1985	N/A
55-519445	0.5	3.0	190	6	2	1988	<0.001
55-603958 <sup>B</sup>	3.0	16.3	233	5 -9/16	1	1971	0.002
55-603960	1.0	6.8	300	4	3/4 x 3/4	1974	0.002
55-603961	2	14	10	8	5/8 x 3/4	1976	0.0024
55-603963	5	25	480	6	1	1978	0.0039
55-613687 <sup>A</sup>	0.75	13.3	200	6	5/8 X 3/4	1982	0.0015
55-613688	1.0	20	170	6	2	1980	0.0017
55-613689 <sup>B</sup>	1.0	0.00	290	6	5/8 x 3/4	1980	0.0017
55-613690 <sup>A</sup>	No pump	0	80	8	none	1982	N/A
55-613691 <sup>A,B</sup>	0.75	15.5	80	8	5/8 x 3/4	1982	0.0017
55-613692 <sup>A</sup>	No pump	0	150	6	5/8 x 3/4	1982	N/A
55-613695	0.75	9.5	80	6	1	1979	0.0017
55-613696 <sup>A</sup>	No pump	0	80	6	1	1982	N/A
55-635764	No pump	0	20	6	none	1981	N/A
55-635767	No pump	0	171	6	none	1979	N/A
55-635768	No pump	0	176	6	none	1979	N/A
55-635769 <sup>B</sup>	1	0	11 & 243	6 & 8	1	1976	0.0015
55-635770 <sup>B</sup>	No pump	0	161	6 & 6	1	1979	N/A
55-635772	No pump	0	79	6	none	1979	N/A
55-635775	3	9.7	270	6	5/8 x 3/4	1976	0.0015

\* Arizona Department of Water Resources Identification Number

Notes

A: Well drilled date not provided on original registration; however, records indicate well was first registered by previous owner this year

B: Data shown may be inconsistent with previous reports due to corrections pursuant to original well registration documents

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
Strawberry Water Co., Inc. via Project Magnolia	150	11,572
Starlight Pines Water via water tanker	N/A	0
Payson Water Co, Inc. via water tanker	N/A	0
Water Sharing Agreement: STWID less STWID consumption	20	3,829
Water Sharing Agreement: B	25*	4,308
Water Sharing Agreement: W	21*	5,904
Pending New Source: Water Sharing Agreement- H1(GR.Rd)	25 gpm anticipated	0
Pending New Source: Water Sharing Agreement-H2)	15gpm anticipated	0

\* As of December 2005

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
3.0	2	11	None
5.0	7		
7.5	4		
15.0	4		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
100,000 gallons	5	350 gallons	2
150,000 gallons	1	1,000 gallons	2
300,000 gallons	1	2,000 gallons	4
10,000 gallons	2	30,000 gallons	1

**COMPANY NAME: Pine Water Company, Inc.**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	ABS	14,671
2	PVC	359
3	ABS	14,290
3	PVC	56,438
4	ABS	13,744
4	PVC	43,320
4	AC	24,664
5	None	None
6	AC	2,916
6	PVC	126
8	DIP	200
8	PVC	10,200
10	None	None
12	None	None

**CUSTOMER METERS\***

Size (in inches)	Quantity
5/8 X 3/4	1,939
3/4	146
1	5
1 1/2	1
2	5
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0

\*Records and on-site meter audit conducted in 2005 identified several 3/4 x 3/4 meters listed incorrectly as 5/8 x 3/4". The corrected meter count (not active customers) as of 12/2005 is shown above.

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

4- Pellet Chlorinators

**STRUCTURES:**

1- 8' x 24' wood structure

2- 12 x 24' wooden frame structures

1 -10' x 28' concrete block structure

2- 10' x 12' wooden frame structures

1- 10' x 14' concrete block structure

1- 10' x 16' wooden frame structures

1 10' x 10' concrete block structure

**OTHER:**

6 - 4' x 4' metal water conservation signs & related number signs

**COMPANY NAME: Pine Water Company, Inc.**

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**  
**PWS 04-034**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD<sup>2</sup> (Thousands)</b>	<b>GALLONS PUMPED<sup>1</sup> (Thousands)</b>
<b>JANUARY</b>	1,980	4,789	940
<b>FEBRUARY</b>	1,984	2,815	981
<b>MARCH</b>	1,987	610	1,053
<b>APRIL</b>	1,991	3,146	1,058
<b>MAY</b>	1,996	3,684	2,031
<b>JUNE</b>	1,986	4,967	2,716
<b>JULY</b>	1,996	5,889	3,377
<b>AUGUST</b>	1,992	5,429	3,744
<b>SEPTEMBER</b>	1,997	4,434	2,030
<b>OCTOBER</b>	1,998	3,996	3,915
<b>NOVEMBER</b>	2,002	4,292	3,200
<b>DECEMBER</b>	2,006	3,478	2,363
<b>TOTAL</b>		<b>47,529</b>	<b>27,409</b>

Notes:

<sup>1</sup> "Gallons pumped" are from Pine Water Co., Inc. wells. See page 11 for other water sources

<sup>2</sup> January 2005 & February 2005 consumption was estimated due to weather. The actual meter reads obtained in March 2005 resulted in the reversal of all consumption gallons estimated and not used.

**ANNUAL WATER LOSS FOR CALENDAR YEAR 2005 FOR PWS 04-034**

<b>WATER SOURCE</b>	<b>ANNUAL PRODUCTION (Gallons reported in thousands)</b>
Pine Water Co., Inc. owned wells	27,409
Strawberry Water Co., Inc. via Project Magnolia	11,572
Starlight Pines Water via water tanker	0
Payson Water Co., Inc. via water tanker	0
Water Sharing Agreement: STWID less STWID consumption	3,829
Water Sharing Agreement: B	4,308
Water Sharing Agreement: W	5,904
<i>Pending New Source-Water Sharing Agreement: : H1 (GR Rd)</i>	0
<i>Pending New Source- Water Sharing Agreement: H2</i>	0
2005 Aggregate Annual Water Produced	53,022
2005 Annual Gallons Sold	47,529
2005 Annual Water Loss	5,493
<b>2005 Annual Water Loss %</b>	<b>10.36%</b>

**COMPANY NAME: Pine Water Company, Inc.**

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☐ Yes                      ☒ No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☐ Yes                      ☒ No

**If yes, provide the GPCPD amount:** \_\_\_\_\_

**What is the level of arsenic for each well on your system.**    see page 10 mg/l  
*(If more than one well, please list each separately.)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

**COMPANY NAME:** Pine Water Co., Inc. **YEAR ENDING 12/31/2005**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ **38,575.20**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**RECEIVED**

APR 17 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**VERIFICATION**

**STATE OF California  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>Kern</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Robert T. Hardcastle</b>
COMPANY NAME <b>Pine Water Co., Inc.</b>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

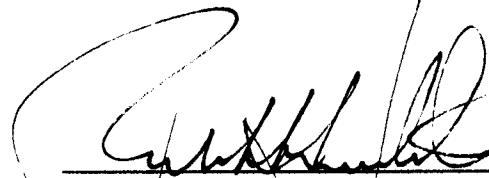
MONTH	DAY	YEAR
12	31	2005

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
**661-633-7526**  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

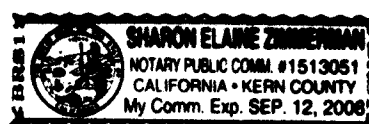
**THIS** 12<sup>th</sup> **DAY OF**

COUNTY NAME <b>Kern</b>	
MONTH <b>April</b>	YEAR <b>2006</b>

**(SEAL)**

**MY COMMISSION EXPIRES** Sept 12, 2008

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC





**COMPANY NAME:** Pine Water Co., Inc.

**YEAR ENDING 12/31/2005**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \$ 125,409

Estimated or Actual Federal Tax Liability \$ 0

State Taxable Income Reported \$ 125,409

Estimated or Actual State Tax Liability \$ 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_

Amount of Gross-Up Tax Collected \_\_\_\_\_

Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

4-12-06  
\_\_\_\_\_  
**DATE**

Robert T. Hardcastle  
\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 17 2006

**VERIFICATION  
STATE OF California  
I, THE UNDERSIGNED  
OF THE**

COUNTY OF (COUNTY NAME) <b>Kern</b>
NAME (OWNER OR OFFICIAL) TITLE <b>Robert T. Hardcastle</b>
COMPANY NAME: <b>Pine Water Co., Inc.</b>

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH <b>12</b>	DAY <b>31</b>	YEAR <b>2005</b>
--------------------	------------------	---------------------

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

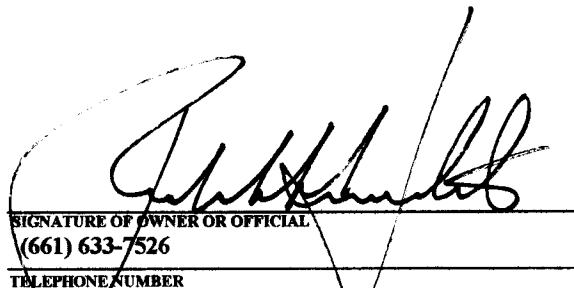
**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 778,135

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 48,303  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(661) 633-7526  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

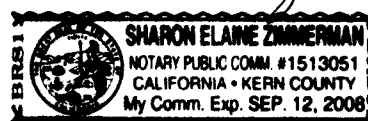
**THIS** 12th **DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES** Sept. 12, 2008

COUNTY NAME <b>Kern</b>	
MONTH <b>April</b>	20 <b>06</b>

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

APR 17 2006

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

AZ CORPORATION COMMISSION DIRECTOR OF UTILITIES		
COUNTY OF (COUNTY NAME) KERN		
NAME (OWNER OR OFFICIAL) ROBERT T. HARDCASTLE	TITLE: President	
COMPANY NAME: Pine Water Co., Inc.		

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

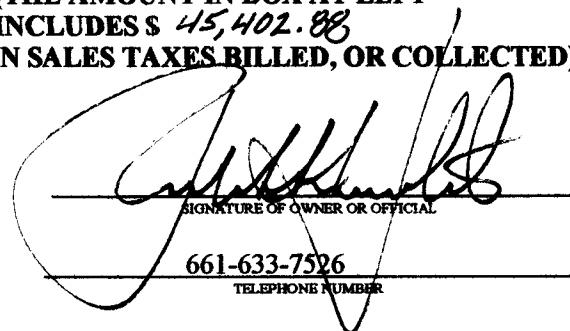
**SWORN STATEMENT**

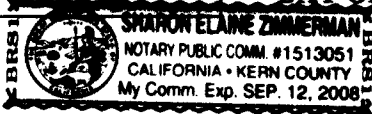
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  
**693,809.19**

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 45,402.88  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
661-633-7526  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 12<sup>th</sup> DAY OF  
(SEAL)   
MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>Sharon Elaine Zimmerman</u>	
COUNTY NAME <u>Kern</u>	
MONTH <u>April</u>	YEAR <u>2006</u>

X Sharon Elaine Zimmerman  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

Sept 12, 2008

20453

Pine Water Company, \* Bakersfield, CA  
G103 GILA COUNTY TREASURER

Sep 29 05

36018 1ST Jul 1 05

20,713.29

0.00

20,713.29

NOT NEGOTIABLE

20,713.29

0.00

20,713.29

Pine Water Company, Inc.  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERSFIELD, CA 93301

20453

CHECK NO.

16-66  
1220

\*\*\*\*\* Twenty Thousand Seven Hundred Thirteen and 29/100 \*\*\*\*\*

DATE

Sep 29 05

AMOUNT

\$20,713.29

PAY  
TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

NOT NEGOTIABLE

⑈020453⑈ ⑆12200066⑆ 14769⑈01525⑈

19638

Pine Water Company, Inc. \* Bakersfield, CA  
G103 GILA COUNTY TREASURER

Apr 6 05

35847-2 Apr 6 05	2,961.87	0.00	2,961.87
35848-2 Apr 6 05	13,697.63	0.00	13,697.63
35849-2 Apr 6 05	1,202.41	0.00	1,202.41

NOT NEGOTIABLE

17,861.91

0.00

17,861.91

Pine Water Company, Inc.  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERSFIELD, CA 93301

19638

CHECK NO.

16-66  
1220

\*\*\*\*\* Seventeen Thousand Eight Hundred Sixty-One and 91/100 \*\*\*\*\*

DATE  
Apr 6 05

AMOUNT  
\$17,861.91

PAY  
TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

NOT NEGOTIABLE

⑈019638⑈ ⑆122000661⑆ 14769⑈01525⑈

TOTALS

572844

19530

592374

595520

-3146

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES